

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 11, 2002**

AGENDA ITEM NO.: **7**

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: Repayment Of \$5,836,538 Principal Debt Service For Interim Capital Financing On The City's \$15,000,000 Revolving Line Of Credit

RECOMMENDATION: Appropriate \$5,836,538 to retire outstanding debt and related interest expense associated with the City's Revolving Line of Credit. Funding for the principal retirement was included the 2001 General Obligation Bond Issue along with loan proceeds from the Virginia Revolving Loan Fund.

SUMMARY:

In November of 1996, City Council authorized the issuance of \$15,000,000 of General Obligation Public Improvement Bond Anticipation Notes (BANS) for a tax-exempt, variable rate revolving line of credit.

This revolving line of credit was designed as an interim method to provide financing to meet construction schedules pending the issuance of General Obligation Bonds or from Virginia Revolving Loan Fund loan proceeds. Interest expense associated with the Line of Credit has been funded through the annual operating budget.

Following receipt of the proceeds from the 2001 Bond Issue and a Virginia Revolving Loan Fund loan all outstanding principal amounts on the Line of Credit were retired. Accordingly, it is necessary to record appropriations for the \$5,836,538 principal repayment funded by the line of credit. There follows the distribution of the principal payments:

\$4,508,320	Sewer Capital Projects Fund
\$ 632,629	Sewer Virginia Revolving Loan Fund (VRL) Capital Projects Fund
\$ 695,589	Water Capital Projects Fund
<u>\$5,836,538</u>	

PRIOR ACTION(S): June 4, 2002: Finance and Planning Committee

FISCAL IMPACT: Funding provided from proceeds from sale of General Obligation Bonds and a loan from the Virginia Revolving Loan Fund. Debt service was programmed in respective Sewer Operating and Water Operating Fund annual operating budget.

CONTACT(S): Michael W. Hill

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ATTACHMENT(S):

REVIEWED BY:

Resolution

BE IT RESOLVED That \$4,508,320, \$632,629 and \$695,589 is appropriated, respectively to the Sewer Capital Projects Fund, Virginia Revolving Loan Capital Projects Fund, and the Water Capital Projects Fund, for repayment of principal associated with temporary line-of-credit financing of capital projects.

Introduced:

Adopted:

Certified:

Clerk of Council

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